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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM 20-F

### ANNUAL REPORT PURSUANT TO SECTIONS 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 1982

Commission file number 1-7392

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## Commodore International Limited

(Exact name of registrant as specified in its charter)

## Commodore International Limited

(Translation of registrant's name into English)

### Bahamas

(Jurisdiction of incorporation or organization)

Sassoon House, Shirley & Victoria, Nassau, Bahamas  
and  
950 Rittenhouse Road, Norristown, Pennsylvania 19403  
(Address of principal executive offices)

Securities registered pursuant to section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each Exchange on which registered</u>
Common Stock, No Par Value, \$.01 Stated Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

NONE

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

NONE

Shares outstanding at June 30, 1982:

15,209,977

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

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## **ITEM 1. DESCRIPTION OF BUSINESS**

### **GENERAL**

Commodore International Limited is a Bahamian corporation, with perpetual existence under the laws of the Bahamas, and is the successor through an internal reorganization effected in August, 1976 to a Canadian corporation, which was organized under the laws of Ontario, Canada in October, 1958.

The Company's head office is at Sassoon House, Shirley & Victoria, Nassau, Bahamas, and its telephone number is (809) 322-3807. The Company also has executive offices at 950 Rittenhouse Road, Norristown, Pennsylvania 19403, and its telephone number at that address is (215) 666-7950.

Unless the context otherwise indicates, the terms "Commodore" and "Company" as used herein refers to Commodore International Limited and its subsidiaries.

In November, 1976, Commodore Business Machines, Inc., the United States subsidiary of the Company, acquired MOS Technology, Inc. ("MOS Technology"), a company located in Norristown, Pennsylvania. MOS Technology manufactures and sells integrated circuits based upon metal-oxide-semiconductor ("MOS") technology.

In April, 1978, Commodore Electronics Limited ("CEL"), a subsidiary of the Company, purchased substantially all of the outstanding shares of Frontier Manufacturing, Inc. ("Frontier"), a company located in Costa Mesa, California. Frontier also produces integrated circuits based upon MOS technology.

In February, 1979, the Company purchased all of the outstanding shares of Micro Display Systems, Inc. ("MDSI"), a manufacturer of electronic watches and liquid crystal displays located in Dallas, Texas.

On January 1, 1981, MOS Technology, Frontier and MDSI were merged into Commodore Business Machines, Inc.

### **PRODUCTS**

The Company, through its subsidiaries, designs, manufactures and markets primarily microcomputer systems and semiconductor components and to a lesser extent electronic consumer products and office equipment. Sales of microcomputer systems began in fiscal 1978 with the development of the PET<sup>®</sup> microcomputer. Sales of semiconductor components commenced in November, 1976 with the acquisition of MOS Technology.

#### *Computer Systems*

The Company presently manufactures and markets several types of microcomputers, including the SuperPET, PET 4000 series, CBM 8000 series, VIC 20 and the Commodore 64, each of which contains the basic units of a computer, including a microprocessor, random access memory ("RAM"), read only memory ("ROM"), keyboard and power supply. See "Semiconductor Components" on page 3. The Company's computers interface with various peripherals, including disk drives, printers, and communication devices such as modems.

The Commodore 64 is a full color, 40 column microcomputer with 64K RAM of built in memory and 20K ROM. The Commodore 64 has the same basic keyboard as the VIC 20. It features high resolution color graphics, full BASIC, and is capable of displaying 1000 characters in a 40 column × 25 line format. A music synthesizer produces three independent voices, each with a range of nine octaves, enabling the Commodore 64 to function as a miniaturized musical instrument. Musical notes

show up visually on the television screen or monitor to which the Commodore 64 is connected while the music plays, and the music can be stored and recalled as the user desires. The use of an optional Z80 microprocessor provides compatibility with Digital Research, Inc.'s CP/M operating system. The Commodore 64 is used primarily for personal and educational purposes.

The VIC 20 is a full-feature, expandable color computer system, which connects to any color television set or monitor, provides 5K RAM expandable to 32K RAM, and is capable of displaying 506 characters in a 22 character  $\times$  23 line format. The VIC 20 also includes four internal sound amplifiers; specifically, three tone generators and one sound generator. Each amplifier has five octaves and uses a television or monitor speaker. The VIC 20 features a full size typewriter style keyboard with upper and lower case letters and high resolution graphics in up to sixteen colors. It also features programmable characters and full screen editing, and its system circuitry permits interfacing with specialized input controls such as plug-in program/memory cartridges, joysticks, paddles and lightpen for games, personal and educational uses.

The PET includes two different memory sizes: 16K and 32K RAM. The Company expects to sell a 64K RAM PET during fiscal 1983. Each PET also includes 18K of ROM containing a computer language known as BASIC 4.0 with nine digit floating binary arithmetic designed to be easy to learn and program. Other features include a self-contained video monitor capable of displaying 1000 characters in a 40 character  $\times$  25 line screen format, full screen editing capabilities, a typewriter style keyboard with upper case alphabetic characters, and a separate calculator/numeric keypad. A shift key gives 64 graphic characters. The PET is used for personal and educational purposes.

The Company also manufactures the CBM 8000 series computer which is similar to the PET except that the 8000 incorporates an 80 column built-in monitor capable of displaying 2000 characters (80 characters  $\times$  25 lines) and is available only with a typewriter-style business keyboard. The 8000 series also has graphic keys accessible by specifying a special command. The CBM 8032 is available with 32K RAM, upgradable to 96K RAM. Each CBM 8000 series computer also includes 18K ROM containing BASIC 4.0 with nine digit floating binary arithmetic. The CBM 8000 series computers are used primarily for business applications.

The SuperPET provides 96K RAM, the standard Commodore 6502 microprocessor and an additional 6809 microprocessor, a standard communications interface, and 38K of ROM containing BASIC 4.0 with direct (interactive) and program modes and nine digit floating binary arithmetic. It has a typewriter style keyboard, includes a self-contained video monitor capable of displaying 2000 characters in an 80 character  $\times$  25 line screen format, numeric keyboard with line/text editor keypad in the 6809 mode, and has full screen editing capabilities. The SuperPET is capable of communicating with certain mainframes by means of a program file transfer between suitably equipped mainframes and is compatible with the 8000 series software. Software includes language interpreters, editor, operating system (supervisor), an assembly language development system, Waterloo MicroBASIC, MicroPascal, MicroFORTRAN, MicroAPL, MicroCOBOL, 6809 Assembler Development System and Linker/Loader. The SuperPET is used primarily for business and educational applications.

The Company also manufactures and sells a line of peripherals to complement the central processing units described above. Disk drives, which are intelligent storage peripherals that supplement the computer's memory, include the Model 4040 dual drive floppy disk which can store up to 340K bytes of information using industry standard 5 $\frac{1}{4}$ " floppy diskettes; the Model 8250 dual drive floppy disk which can store up to 2 megabytes of information using 5 $\frac{1}{4}$ " floppy diskettes; the Model 8050 dual drive floppy disk which can store up to 1 megabyte of information using 5 $\frac{1}{4}$ " floppy diskettes; the VIC 1540 and 1541 Single Disk Drives which can store up to 170K bytes using a 5 $\frac{1}{4}$ " floppy diskette. The Company also sells two 5 $\frac{1}{4}$ " Winchester magnetic rigid disk drives, the D9060 and D9090. The D9060 has four heads, uses two disks and contains unformatted capacity of 6.4 megabytes with 5.0 megabytes of formatted capacity available to the user. The D9090 has six heads,

an 80 column  $\times$  25 line format. The B700 and BX700 are monochrome, 80 column computers with a built in monitor which tilts and swivels. The B700 contains 128K RAM, expandable on board to 256K RAM; the BX700 contains 256K RAM, and an additional microprocessor. Each uses an expanded BASIC as well as other high level languages and is CP/M expandable on board. The keyboard is expandable and removable.

In April, 1982, the Company signed an Agreement with Digital Research, Inc. ("DRI") pursuant to which the Company was granted a license to utilize and distribute the DRI operating systems known as CP/M, Release 2 and Concurrent CP/M-86, Release 1, both of which are trademarks of DRI. This will provide the user with the popular CP/M library of programs, presently estimated to contain approximately 2000 programs.

The Max Machine is a state-of-the-art combination microcomputer, video game and music synthesizer. It is a full color, high graphics resolution microcomputer with a membrane keyboard and built-in memory which may also be used as a high resolution video game. An overlay fits over the original keyboard, giving the Max Machine the same music capability as the Commodore 64. It contains 2.5K RAM, upgradable to 4.0K RAM with a mini BASIC plug-in cartridge, is capable of displaying 1000 characters in a 40 character  $\times$  25 line screen format, and can be used with plug-in cartridges, joysticks, paddles and lightpen.

The Company's Storage Products Division was formed in June, 1981 to develop a new type of magnetic memory which is a back-up to a hard disk drive. It is expected that the product will combine many of the desirable capabilities found in floppy disk memories, hard disk memories and tape drives.

Several new semiconductor components are currently in the development stage, including a line of programmable timekeeping circuits which combine a multiple of existing chips on one integrated circuit, a 128K Mask ROM (high volume, low cost), and a new large area LCD for applications in consumer and industrial markets. The Company is also developing new silicon gate isoplanar CMOS technology which will provide low power microprocessor products. In addition, the Company's development of a new 16 bit microprocessor is progressing.

### *Marketing*

The Company's microcomputer systems products are sold through independent computer dealers, chains, department stores, specialty retailers and mass merchandisers. The PET, SuperPET, CBM and Commodore 64 lines are sold mostly through independent computer dealers while the VIC line is sold through all of the above described distribution channels.

Sales to retail stores are made directly by the Company's sales organization and through independent distributors and sales representatives. These retail stores typically handle a variety of computer-related products, including competitive computer products. The Company also markets its microcomputer products directly to national accounts.

Retail dealers typically purchase the Company's products on an as needed basis and the Company, in turn, currently ships to retailers shortly after receipt of order. For this reason and because retailers, as a result of the nature of their business and the economy in general, may change delivery schedules and cancel orders, the Company's backlog of orders at any particular period would not be indicative of the Company's actual sales for any succeeding period.

Company owned or affiliated subsidiaries are located in the United States, United Kingdom, West Germany, Switzerland, Italy, Japan, Australia, Canada, Hong Kong, Denmark, Norway and

the Benelux countries. The Company services the remainder of the international market by sales through distributors.

The Company's semiconductor components are used to a great extent by the Company internally in its microcomputer systems products and are sold to outside customers directly by the Company and through independent sales representatives.

#### *Service and Support*

The Company's microcomputer products are serviced by the Company, distributors and full service retail dealers. In addition, the Company's United States subsidiary has an agreement expiring June 30, 1986 with the Customer Service Division of TRW, Inc. pursuant to which TRW will provide on-site and drop-off service for certain of the Company's microcomputer products throughout the United States. The cost of dealer and TRW service to the customer is set by the dealer or TRW for products not under warranty.

#### *Research and Development*

The Company's research efforts are directed primarily toward the design and development of new semiconductor products for use in its computer systems products and the enhancement of existing products in those areas. It is concentrated in three major areas: hardware systems design, software systems design and semiconductor chip design.

The Company's research and development staff is decentralized into several engineering teams within the Company's operating divisions. This enables the Company to obtain ideas from several sources and to tie research and development activities more closely to manufacturing, process engineering and marketing with respect to each product group.

During the fiscal years ended June 30, 1981 and June 30, 1982, the Company invested approximately \$8,400,000 and \$17,900,000, respectively, in research and development activities.

#### *International Operations*

The Company has manufacturing facilities in West Germany, Canada, Hong Kong, and the United States, and markets its products throughout the world. While the Company is subject to certain risks as a result of the foregoing, such as political risks, currency or duty fluctuations, and changes in import and export policy, the Company believes that the risks involved are no greater than the normal risks of doing business.

#### *Production*

The Company's manufacturing operations utilize a wide variety of electronic and mechanical components, raw materials, and other supplies. The Company generally has multiple commercial sources of supply for the raw materials which are essential to its business. While the Company has experienced from time to time delays in delivery, shortages, substantial price increases, and deficiencies in the quality of product delivered, the Company has not experienced any significant difficulties in meeting production and delivery obligations as a result of the foregoing.

#### *Seasonality*

To date, neither the computer systems nor the office equipment business has demonstrated any significant degree of seasonality. However, it is anticipated that VIC sales may be greater during the Christmas season than at other times during the year. Sales of semiconductor components for

consumer and home computer products are influenced by the aforementioned seasonal demand. Sales of semiconductor components for other computer systems are not seasonal.

### *Competition*

The Company's computer systems products are sold in a highly competitive market which has been characterized by rapid technological advances in both hardware and software development. Therefore, technological innovation is essential to the Company's future success. The principal competitive factors are technical superiority and reputation, product quality and reliability, price, delivery schedules, service and support, availability of software, ease of operation of the products, and marketing and distribution capability. Its principal competitors in the computer systems business are Tandy Corporation (Radio Shack division), Apple Computer, Atari, Texas Instruments and IBM. In addition, the Company expects intense competition from several substantially larger firms which have entered or are expected to shortly enter the personal computer market, including Hewlett-Packard, Xerox and various Japanese manufacturers, all of which have considerably greater financial, marketing and technological resources than the Company. Many of the semiconductor components which are produced and sold by the Company to third parties are also produced by a number of other electronics companies, many with substantially larger resources and sales volume than the Company. However, a substantial amount of the Company's production of semiconductor components is utilized by the Company in its computer products. The Company believes it can compete favorably through its vertically integrated structure.

### *Federal Communications Commission*

The Federal Communications Commission ("FCC") has adopted orders and promulgated regulations imposing radio frequency emanation standards on computing equipment sold in the United States. The specifications set forth in those regulations are designed to reduce radio frequency interference with communications, including television and radio reception. The regulations distinguish between computing devices marketed for use primarily in a commercial, industrial or business environment (designated Class A) and computing devices marketed for use primarily in a residential environment (designated Class B).

If the Company is unable to meet the FCC requirements for its new products, it could be precluded from selling non-complying products in the United States until such modifications are completed. However, the Company does not believe this risk to be significant.

### *Patent, Trademarks and Licenses*

The Company has been granted several patents and trademarks throughout the world and has filed several additional applications. The Company believes that success in its business is not dependent upon patent or trademark protection but rather upon engineering, production, and marketing skills. It does not anticipate that the ownership of patents or trademarks or the grant of any patent or trademark application will significantly influence its competitive position. The Company has several licenses permitting the Company to manufacture, sell and distribute various types of software for use with its microcomputers.

## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE STATEMENTS OF INCOME**

The Financial Review appearing on page 18 of the Company's 1982 Annual Report to Shareholders is incorporated by reference herein.

## **ITEM 3. DESCRIPTION OF PROPERTY**

The Head Office of the Company is at Sassoon House, Shirley & Victoria, Nassau, Bahamas. The principal executive offices of the Company are at 950 Rittenhouse Road, Norristown, Pennsylvania 19403.

Computer systems products are manufactured in a 90,000 square foot facility which the Company owns in Braunschweig, West Germany, a 60,000 square foot facility which the Company leases in Santa Clara, California (lease expires March, 1991), and a 66,000 square foot facility leased in Hong Kong (lease expires November, 1984). Semiconductor components are manufactured in a 60,000 square foot facility which the Company owns in Norristown, Pennsylvania, a 60,000 square foot facility which the Company owns in Dallas, Texas and a 64,000 square foot facility which the Company leases in Costa Mesa, California (lease expires July, 1986). Semiconductor components are assembled in Hong Kong. Steel office furniture, barbecues and housings for the Company's computer systems products are manufactured in leased facilities aggregating 207,000 square feet in Agincourt and Scarborough, Ontario, Canada (lease expires July, 1983).

The Company leases sales, marketing and distribution centers throughout the world. Leases expire at various dates to 2001.

Production facilities are well maintained and suitable for the Company's operations, and include plant area, warehouse space and administrative offices. The plants of each of the manufacturing operations generally contain manufacturing and assembly areas, testing facilities, shipping and receiving departments, and engineering and laboratory areas. Sales and marketing facilities contain office space, and some contain warehouse space as well.

#### **ITEM 4. CONTROL OF REGISTRANT**

The Company is not, directly or indirectly, owned or controlled by another corporation or by any foreign government.

Information concerning persons known to the Company to be the owner of more than ten percent (10%) of the Company's voting securities and the total number of shares owned by the Company's officers and directors as a group appears under the caption "Voting Securities and Principal Holders Thereof" on page 2 of the Company's proxy statement in connection with the Company's annual meeting of shareholders to be held on November 8, 1982 (the "Proxy Statement") and is incorporated by reference herein.

The Company knows of no arrangements the operation of which may at a subsequent date result in a change in control of the Company.

#### **ITEM 5. DIRECTORS AND OFFICERS OF REGISTRANT**

The information required by this Item is contained under the caption "Election of Directors" on pages 3-4 of the Company's Proxy Statement and is incorporated by reference herein.

There are no family relationships between any director or executive officer and any other director or executive officer.

#### **ITEM 6. REMUNERATION OF DIRECTORS AND OFFICERS**

The information required by this Item is contained under the caption "Remuneration and Other Transactions with Management and Others" on pages 5-6 of the Company's Proxy Statement and is incorporated by reference herein.

#### **ITEM 7. OPTIONS TO PURCHASE SECURITIES FROM REGISTRANT OR SUBSIDIARIES**

On September 22, 1982, there were outstanding options to purchase an aggregate of 361,822 common shares of the Company at exercise prices ranging from \$.88 to \$35.13. Options expire at various times from December, 1983 to May, 1988. As of such date, directors and officers of the

Company as a group held options to purchase 99,000 common shares of the Company. In addition, the Company disclosed in the Proxy Statement that at September 22, 1982, Messrs. Gould and Tramiel each held options to purchase 37,500 shares at \$28.00 per share, Messr. Witter held an option to purchase 7,500 shares at \$25.25 per share and Messr. Bachmann held an option to purchase 3,000 shares at \$30.00 per share.

#### **ITEM 8. *PENDING LEGAL PROCEEDINGS***

The information required by this Item is contained in Note 9 of Notes to Consolidated Financial Statements appearing on page 30 of the Company's 1982 Annual Report to Shareholders and is incorporated by reference herein.

**ITEMS 9 through 12 do not apply.**

#### **ITEM 13. *EXCHANGE CONTROLS AND OTHER LIMITATIONS AFFECTING SECURITY HOLDERS***

Exchange Control practice in the Bahamas is contained in Acts and Regulations administered by the Exchange Control Department of the Central Bank of the Bahamas. The broad objectives of Exchange Control are to conserve the foreign currency resources of the Bahamas and to assist the Bahamas' balance of payments.

The Exchange Control Regulations Act of the Bahama Islands and the regulations made thereunder impose restrictions on the issue and transfer of shares or other securities of Bahamian companies to non-residents unless permission of the Central Bank is obtained. As used herein, the word "resident" means a resident for exchange control purposes of the Bahamas and the word "non-resident" means a resident for exchange control purposes outside the Bahamas.

Specific permission was granted by the Central Bank of the Bahamas on July 5, 1976 to the designation of the Company as a non-resident for Exchange Control purposes and to the capital of the Company being expressed and issued in United States currency. In addition, the Central Bank has granted blanket approval with respect to all subsequent transfers of the Company's shares without restrictions, subject only to the following:

- (a) the listing requirements of the New York Stock Exchange having been complied with by the Company;
- (b) the filing with the Central Bank of all documents and other material filed with the New York Stock Exchange in connection with the Company's shares; and
- (c) the filing by the Company with the Central Bank of a list of its shareholders on a quarterly basis.

By virtue of the Company being a company limited by guarantee, each shareholder of the Company undertakes in the Memorandum of Association to contribute to the assets of the Company, if it should be wound up while he is a shareholder or within one year after he ceases to be a shareholder, such amount, not exceeding Bahamian \$.10 per shareholder (irrespective of the number of shares of the Company held), as may be required to pay the debts, liabilities and winding up expenses of the Company.

#### **ITEM 14. *TAXATION***

United States shareholders of the Company are not subject to any Bahamian income taxes with respect to the shares they hold, dividends paid thereon and gains from the sale or exchange of such shares. The current administrative practice of the Bahamian authorities is not to impose a stamp duty on a transfer of shares of the Company, although it may be possible under the Bahamian

statutes for the Bahamian authorities to seek to impose such a tax on a transfer of shares executed within the Bahama Islands. There are no tax treaties between the United States and the Bahamas.

**ITEM 15. *CHANGES IN SECURITIES AND CHANGES IN SECURITY FOR REGISTERED SECURITIES***

None

**ITEM 16. *DEFAULTS UPON SENIOR SECURITIES***

None

**ITEM 17. *INTEREST ON MANAGEMENT IN CERTAIN TRANSACTIONS***

Since July 1, 1981, there have been no material transactions and no indebtedness of management which are required to be disclosed hereunder.

**ITEM 18. *FINANCIAL STATEMENTS AND EXHIBITS***

(a) (1) Financial Statements

The following Financial Statements are incorporated by reference under this Item 18 and set forth on the indicated pages in the Company's 1982 Annual Report to Shareholders:

Financial Statements:

Consolidated Statements of Operations .....	20
Consolidated Balance Sheets .....	21
Consolidated Statements of Shareholders' Equity .....	22
Consolidated Statements of Changes in Financial Position .....	23
Notes to Consolidated Financial Statements .....	24-30
Auditors' Report .....	31

(2) Financial Statement Schedules

The following supplemented notes and schedules to the Financial Statements for the three (3) years ended June 30, 1982 are included beginning on the indicated pages in this Annual Report on Form 20-F:

Schedules Supporting Consolidated Financial Statements .....

V. Property and Equipment—For the Years Ended June 30, 1982, 1981 and 1980 .....	F-1
VI. Accumulated Depreciation and Amortization of Property and Equipment for the Years Ended June 30, 1982, 1981 and 1980 .....	F-2
VIII. Valuation and Qualifying Accounts and Reserves for the Years Ended June 30, 1982, 1981 and 1980 .....	F-3
X. Supplementary Income Statement Information for the Years Ended June 30, 1982, 1981 and 1980 .....	F-4

Report of Independent Public Accountants .....	F-5
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All other schedules have been omitted because they are inapplicable, not required, or the information is included elsewhere in the financial statements or notes thereto.

(b) Exhibits

- (1) The Company's Annual Report to Shareholders for the fiscal year ended June 30, 1982.
- (2) The Company's Proxy Statement in connection with the Company's annual meeting of shareholders to be held on November 8, 1982.

**SCHEDULE V**  
**COMMODORE INTERNATIONAL LIMITED AND SUBSIDIARIES**  
**PROPERTY AND EQUIPMENT**

<b>COLUMN A</b>	<b>COLUMN B</b>	<b>COLUMN C</b>	<b>COLUMN D</b>	<b>COLUMN E</b>
<b>Classification</b>	<b>Balance at Beginning of Period</b>	<b>Additions at Cost</b>	<b>Retirements</b>	<b>Balance at End of Period</b>
<b>YEAR ENDED 30 JUNE 1980:</b>				
Land .....	\$ 1,500,000	\$ —	\$ —	\$ 1,500,000
Machinery and equipment .....	10,400,000	9,100,000	(400,000)	19,100,000
Buildings and improvements .....	5,400,000	100,000	—	5,500,000
Furniture and fixtures .....	400,000	400,000	—	800,000
Tooling .....	1,200,000	600,000	—	1,800,000
Leasehold improvements .....	400,000	400,000	—	800,000
	<u>\$19,300,000</u>	<u>\$10,600,000</u>	<u>\$ (400,000)</u>	<u>\$29,500,000</u>
<b>YEAR ENDED 30 JUNE 1981:</b>				
Land .....	\$ 1,500,000	\$ 300,000	\$ —	\$ 1,800,000
Machinery and equipment .....	19,100,000	12,500,000	(500,000)	31,100,000
Buildings and improvements .....	5,500,000	800,000	—	6,300,000
Furniture and fixtures .....	800,000	1,000,000	(100,000)	1,700,000
Tooling .....	1,800,000	900,000	(100,000)	2,600,000
Leasehold improvements .....	800,000	700,000	—	1,500,000
	<u>\$29,500,000</u>	<u>\$16,200,000</u>	<u>\$ (700,000)</u>	<u>\$45,000,000</u>
<b>YEAR ENDED 30 JUNE 1982:</b>				
Land .....	\$ 1,800,000	\$ —	\$ —	\$ 1,800,000
Machinery and equipment .....	31,100,000	20,000,000	(2,000,000)	49,100,000
Buildings and improvements .....	6,300,000	600,000	—	6,900,000
Furniture and fixtures .....	1,700,000	1,300,000	—	3,000,000
Tooling .....	2,600,000	700,000	—	3,300,000
Leasehold improvements .....	1,500,000	3,200,000	(200,000)	4,500,000
	<u>\$45,000,000</u>	<u>\$25,800,000</u>	<u>\$ (2,200,000)</u>	<u>\$68,600,000</u>

**SCHEDULE VI**  
**COMMODORE INTERNATIONAL LIMITED AND SUBSIDIARIES**  
**ACCUMULATED DEPRECIATION AND AMORTIZATION OF PROPERTY AND**  
**EQUIPMENT**

<b>COLUMN A</b>	<b>COLUMN B</b>	<b>COLUMN C</b>	<b>COLUMN D</b>	<b>COLUMN E</b>
<b>Classification</b>	<b>Balance at Beginning of Period</b>	<b>Additions Charged to Costs and Expenses</b>	<b>Retirements</b>	<b>Balance at End of Period</b>
<b>YEAR ENDED 30 JUNE 1980:</b>				
Machinery and equipment .....	\$ 3,400,000	\$2,500,000	\$ (200,000)	\$ 5,700,000
Buildings and improvements .....	200,000	200,000	—	400,000
Furniture and fixtures .....	200,000	100,000	—	300,000
Tooling .....	900,000	200,000	—	1,100,000
Leasehold improvements .....	300,000	300,000	—	600,000
	<u>\$ 5,000,000</u>	<u>\$3,300,000</u>	<u>\$ (200,000)</u>	<u>\$ 8,100,000</u>
<b>YEAR ENDED 30 JUNE 1981:</b>				
Machinery and equipment .....	\$ 5,700,000	\$3,400,000	\$ (300,000)	\$ 8,800,000
Buildings and improvements .....	400,000	200,000	—	600,000
Furniture and fixtures .....	300,000	100,000	—	400,000
Tooling .....	1,100,000	600,000	(100,000)	1,600,000
Leasehold improvements .....	600,000	300,000	—	900,000
	<u>\$ 8,100,000</u>	<u>\$4,600,000</u>	<u>\$ (400,000)</u>	<u>\$12,300,000</u>
<b>YEAR ENDED 30 JUNE 1982:</b>				
Machinery and equipment .....	\$ 8,800,000	\$6,100,000	\$ (1,100,000)	\$13,800,000
Buildings and improvements .....	600,000	300,000	—	900,000
Furniture and fixtures .....	400,000	500,000	—	900,000
Tooling .....	1,600,000	500,000	—	2,100,000
Leasehold improvements .....	900,000	400,000	—	1,300,000
	<u>\$12,300,000</u>	<u>\$7,800,000</u>	<u>\$ (1,100,000)</u>	<u>\$19,000,000</u>

**SCHEDULE VIII**  
**COMMODORE INTERNATIONAL LIMITED AND SUBSIDIARIES**  
**VALUATION AND QUALIFYING ACCOUNTS AND RESERVES**

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E
Classification	Balance at Beginning of Period	Charged to Costs and Expenses	ADDITIONS		Balance at End of Period
			Charged to Other Accounts	Deductions	
YEAR ENDED 30 JUNE 1980:					
Allowance for doubtful accounts . . . . .	<u>\$ 700,000</u>	<u>\$1,600,000</u>	<u>\$ —</u>	<u>\$(1,100,000)</u>	<u>\$1,200,000</u>
Allowance for inventory obsolescence .	<u>\$ 200,000</u>	<u>\$5,300,000</u>	<u>\$ —</u>	<u>\$(5,200,000) (1)</u>	<u>\$ 300,000</u>
YEAR ENDED 30 JUNE 1981:					
Allowance for doubtful accounts . . . . .	<u>\$1,200,000</u>	<u>\$2,400,000</u>	<u>\$ —</u>	<u>\$(1,700,000)</u>	<u>\$1,900,000</u>
Allowance for inventory obsolescence .	<u>\$ 300,000</u>	<u>\$2,400,000</u>	<u>\$ —</u>	<u>\$(1,825,000)</u>	<u>\$ 875,000</u>
YEAR ENDED 30 JUNE 1982:					
Allowance for doubtful accounts . . . . .	<u>\$1,900,000</u>	<u>\$3,800,000</u>	<u>\$ —</u>	<u>\$(1,900,000)</u>	<u>\$3,800,000</u>
Allowance for inventory obsolescence .	<u>\$ 875,000</u>	<u>\$3,150,000</u>	<u>\$ —</u>	<u>\$(1,975,000)</u>	<u>\$2,050,000</u>

(1) Represents inventory writeoffs applicable to the consumer products division.

**SCHEDULE X**  
**COMMODORE INTERNATIONAL LIMITED AND SUBSIDIARIES**  
**SUPPLEMENTARY INCOME STATEMENT INFORMATION**

COLUMN A		COLUMN B		
		YEAR ENDING 30 JUNE		
Item		1982	1981	1980
Taxes, other than income and payroll taxes (1) . . . . .	\$	—	\$ —	\$ —
Rents (1) . . . . .		—	2,500,000	1,200,000
Advertising costs . . . . .		23,000,000	5,500,000	2,200,000

- (1) Taxes, other than income and payroll taxes for the fiscal years ended 30 June 1982, 1981 and 1980 and rent expense for the fiscal year ended 30 June 1982 are not shown above because they did not exceed 1% of consolidated net sales.

**ARTHUR ANDERSEN & CO.**  
**PHILADELPHIA, PENNSYLVANIA**

**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

To Commodore International Limited:

In connection with our examinations of the consolidated financial statements included in Commodore International Limited's annual report to shareholders and incorporated by reference in this Form 20-F, we have also examined the supplemental schedules listed in the accompanying index. Our examinations were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules are presented for purposes of complying with the Securities and Exchange Commission's rules and regulations under the Securities and Exchange Act of 1934 and are not otherwise a required part of the basic financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the examinations of the basic financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

*Arthur Andersen & Co.*

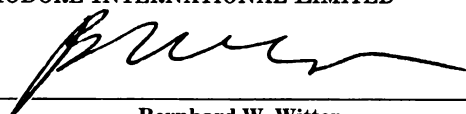
Philadelphia, Pennsylvania  
3 August 1982

## SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the Registrant has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

COMMODORE INTERNATIONAL LIMITED

By: \_\_\_\_\_



Bernhard W. Witter

*Vice President—Finance, Treasurer and Secretary*

Dated: October 5, 1982



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